

# Financial Planning and Re-imagining the People's Function

## Business Continuity Planning

Learning Deck for Day 1

Supported By:



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# Session Objectives: Business Continuity Planning

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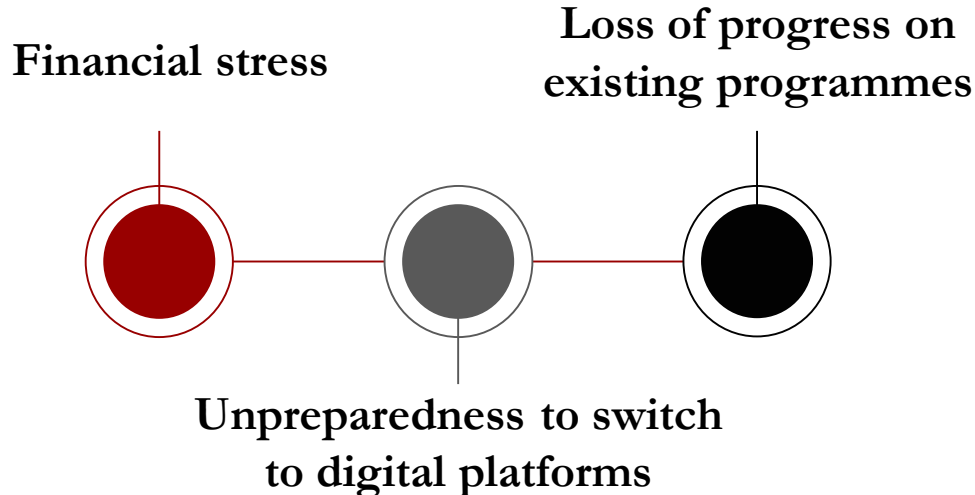
- Response to a crisis
- Organisation readiness ahead of a potential crisis
- Need for Business Continuity Planning(BCP)
- Understanding risks and risk environments
- Business Continuity Planning process
- Maintain BCP to effectively respond to a future crisis
- Risk Assessment tools
- BCP Framework

# Impact of Crises on NPOs: COVID-19

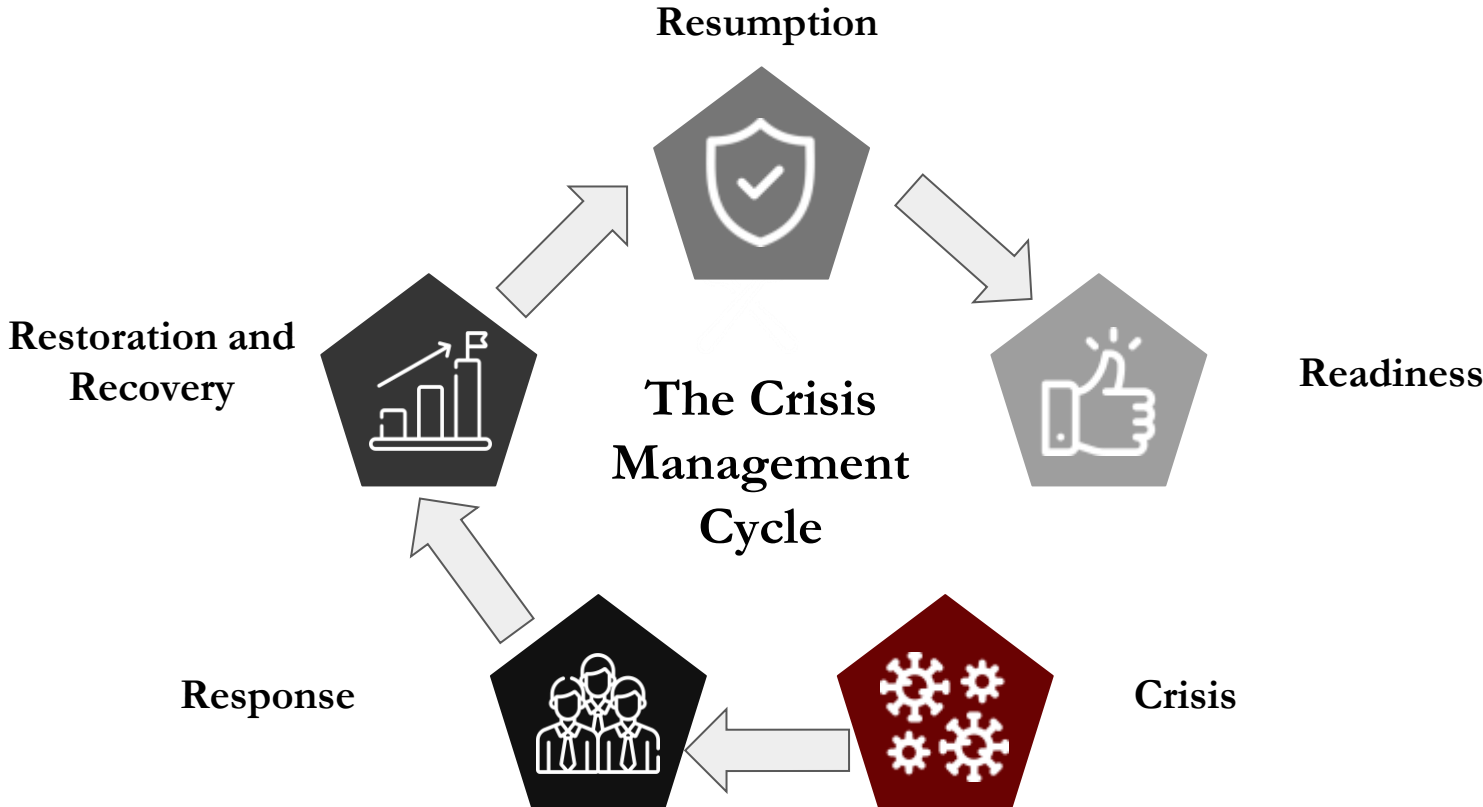
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“We could not do a single cataract surgery for senior citizens from the end of March to June (of 2020) as no one was donating towards this cause.”, Mathew Cherian, ex-CEO of HelpAge India

The crisis has had an impact on the work and sustainability of the nonprofits surveyed in terms of:

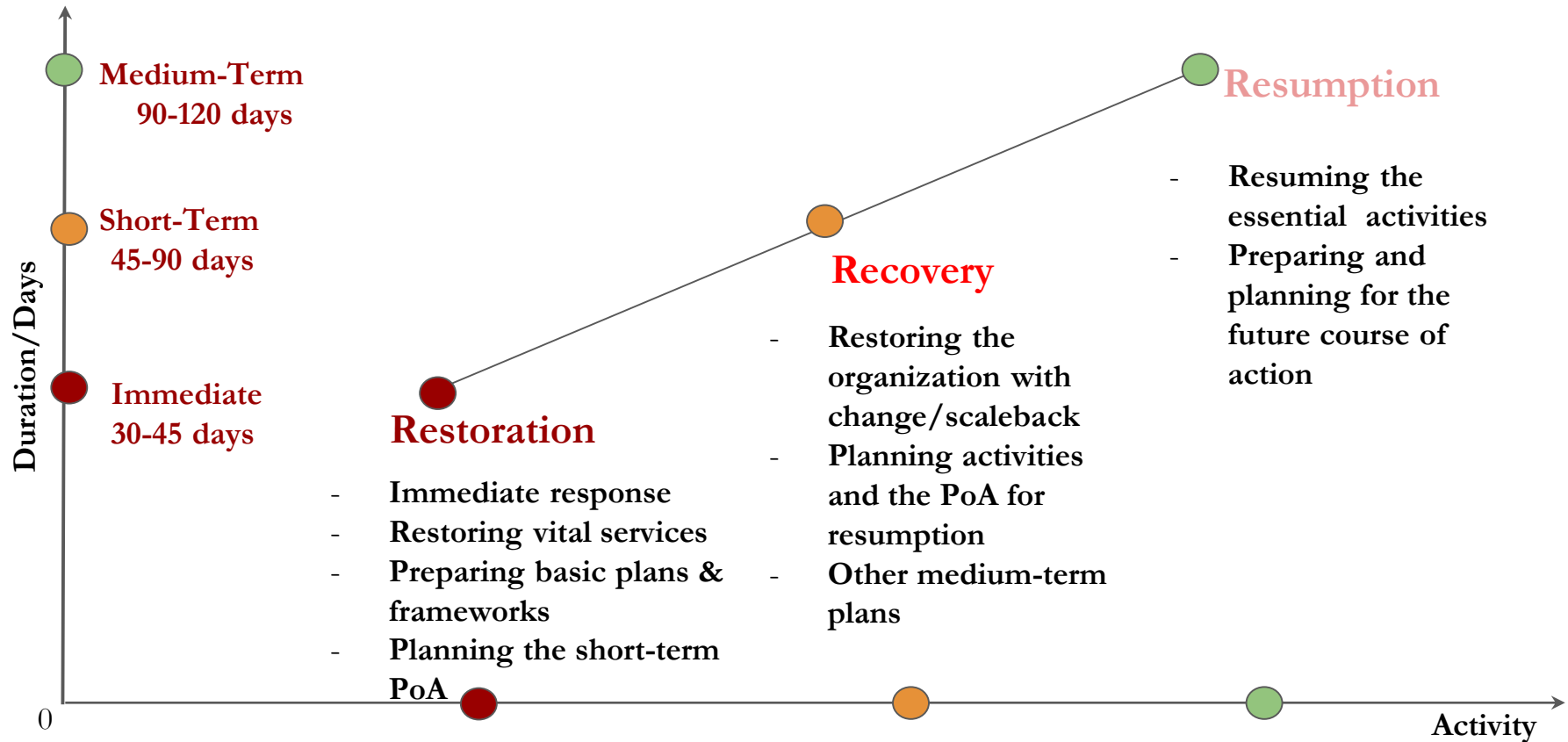


# Response to Crisis ( The 4 R's)



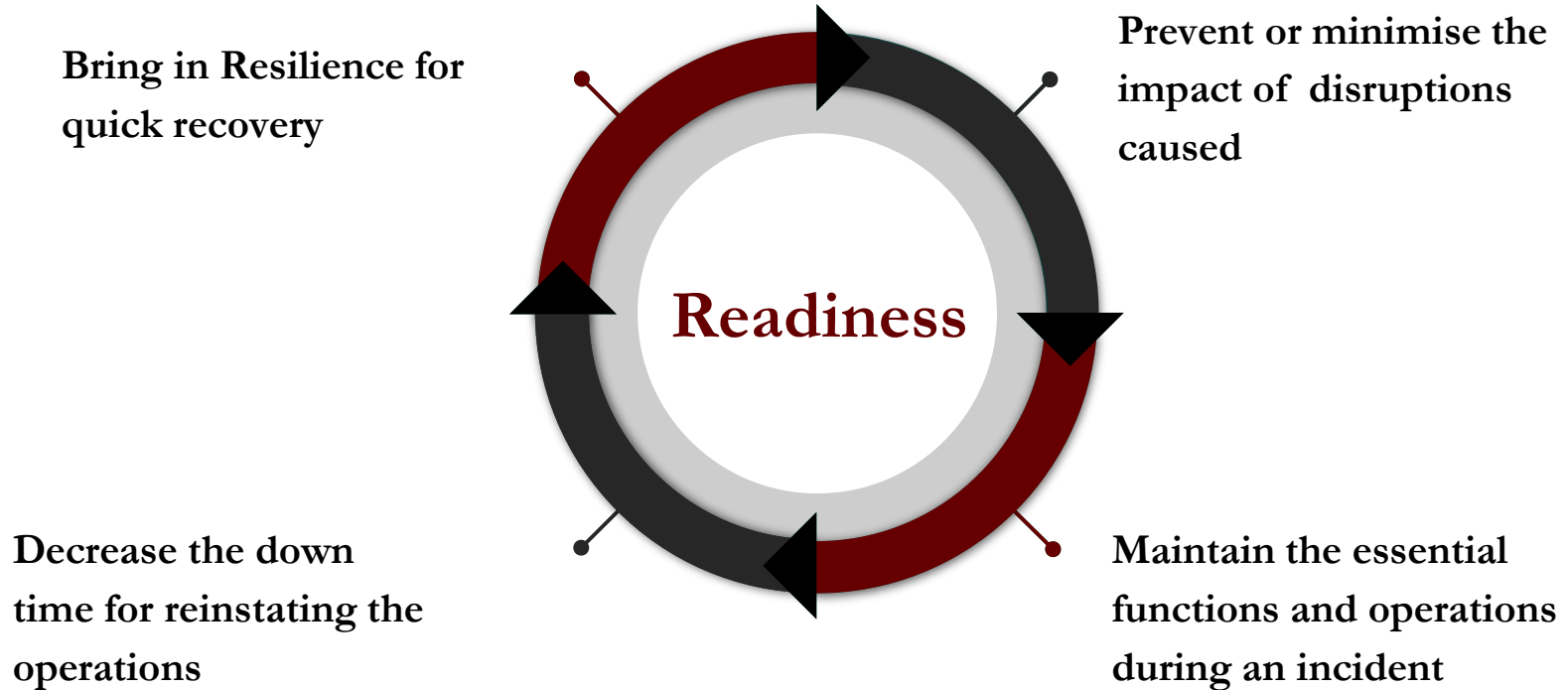
Source: UNIDO, RESPONDING TO THE COVID-19 CRISIS

# Crisis Response Timeline



# Readiness

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# What is Business Continuity planning?

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1

Process of creating a system of **prevention and recovery** from potential threats to an organization.

2

Conceived in **advance** and involves inputs from key **stakeholders** and **personnel**.

3

Involves **defining** any and all **risks** that can affect the company's operations

4

An **on-going**, funded business activity.

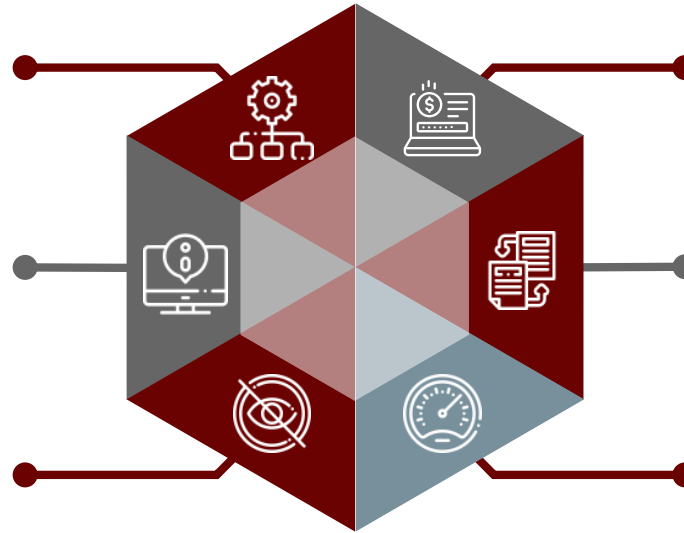
# Need for continuity planning

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Allows you to rework the critical operations

BCP factors in identified risks

Allows for planning for mitigating risks



Can prevent unnecessary costs

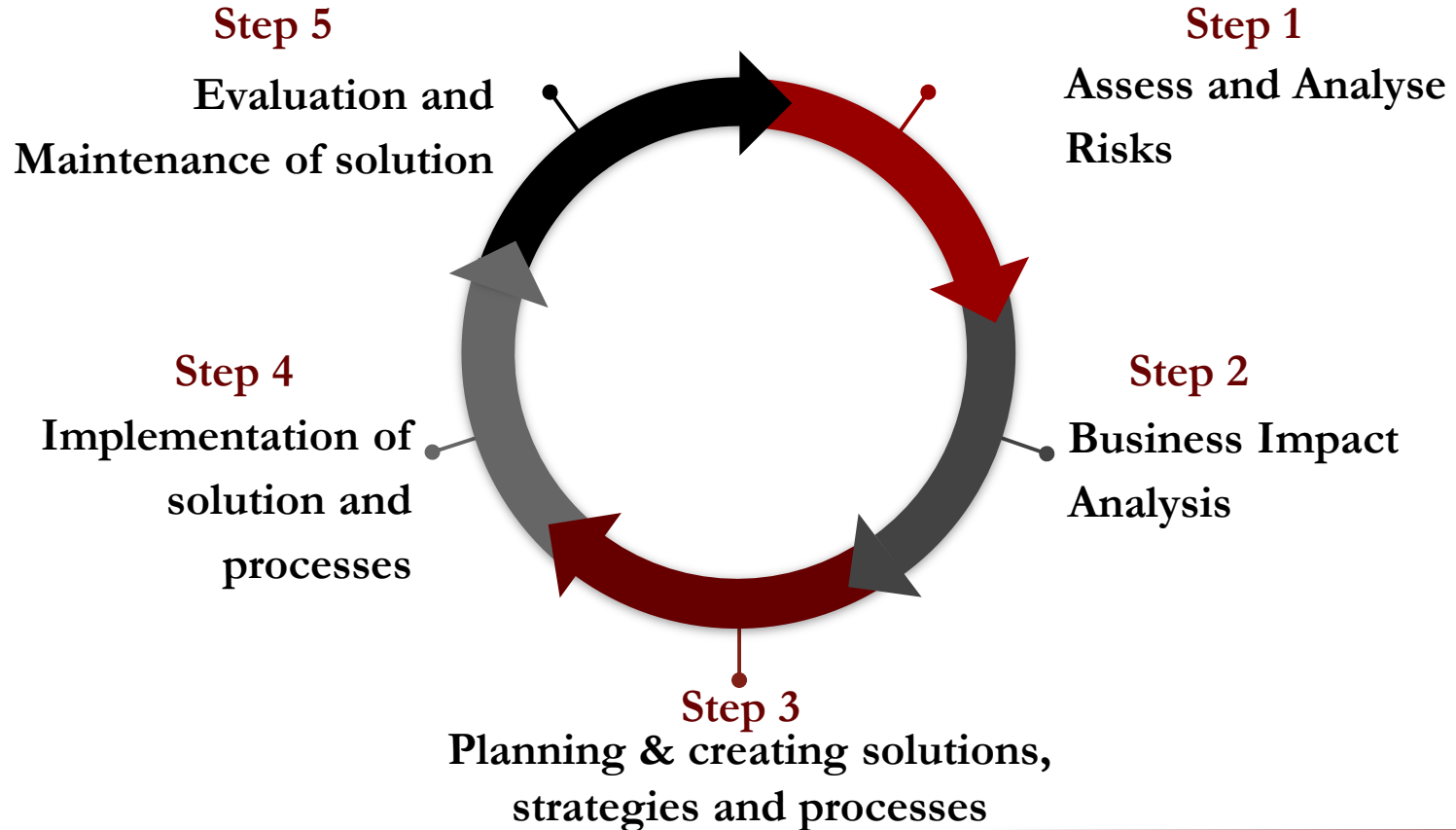
Safeguarding program: human and financial capital

Minimise response time



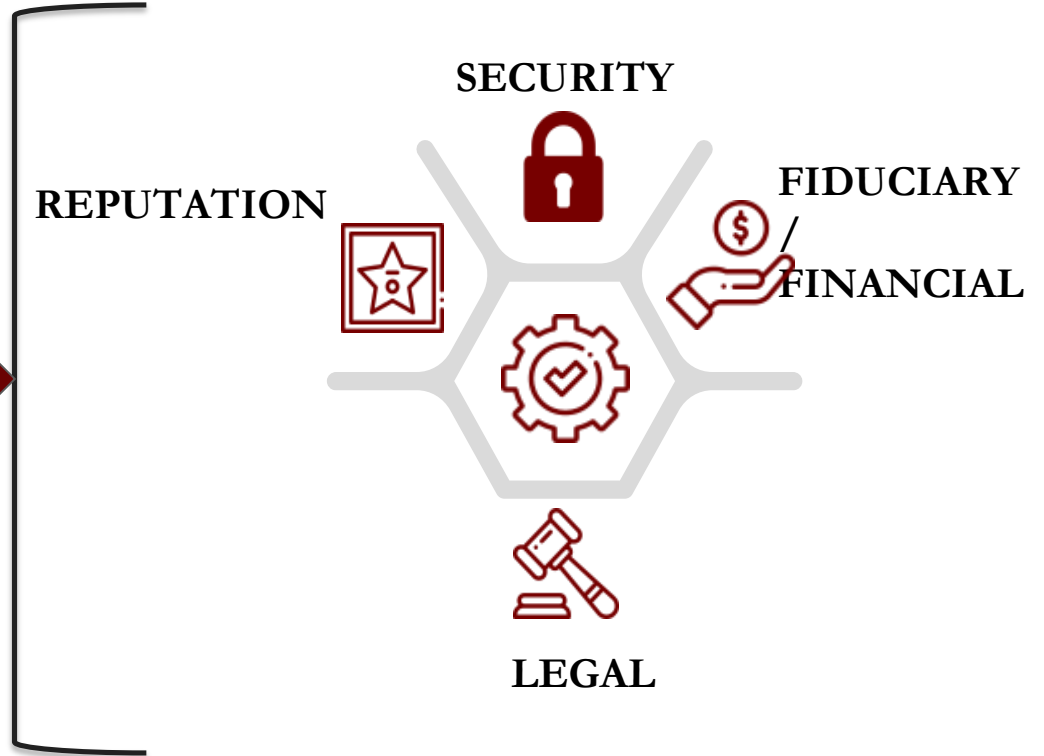
# BCP Process

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# Types of Risk

- **CONTEXTUAL**
- **ORGANISATIONAL**
- **PROGRAMMATIC**



# Risk Management Frameworks

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Risk management frameworks integrate all major areas of risk within a unified conceptual and planning platform. They include:

→ **Risk register tool** which contains:

1. A **risk category** to group similar risks
2. The **impact (or consequence)** if event actually occurs rated on an integer scale
3. The **probability or likelihood** of its occurrence rated on an integer scale
4. The **Risk Score (or Risk Rating)** is the multiplication of Probability and Impact and is used to rank the risks.
5. Common **mitigation steps** are Identify, Analyze, Plan Response, Monitor and Control.

→ Creating a **HEAT map** or Probability-Impact Matrix.

# Risk Register

Project name: Common project risks

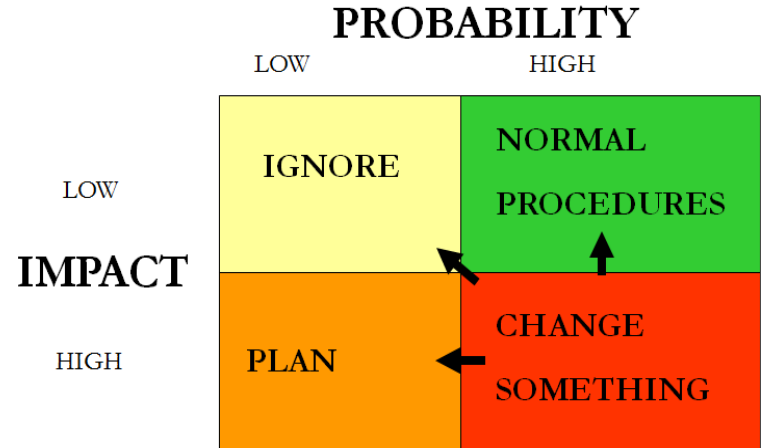
ID	Date raised	Risk description	Likelihood of the risk occurring	Impact if the risk occurs	Severity <i>Rating based on impact &amp; likelihood.</i>	Owner <i>Person who will manage the risk.</i>	Mitigating action <i>Actions to mitigate the risk the likelihood.</i>
1	[enter date]	Project purpose and need is not well-defined.	Medium	High	High	Project Sponsor	Complete a business case provided and ensure purpose defined on Project Charter
2	[enter date]	Project design and deliverable definition is incomplete.	Low	High	High	Project Sponsor	Define the scope in detail workshops with input from matter experts.
3	[enter date]	Project schedule is not clearly defined or understood	Low	Medium	Medium	Project Manager	Hold scheduling workshop project team so they understand plan and likelihood for mis reduced.

# HEAT Maps

“A heat map is a very effective tool in communicating which risks rate highest when you consider their potential impact and the likelihood of that impact”.

## Questions to consider when implementing a HEAT Map

- How much risk are we willing to accept?
- What constitutes a material risk to our company?
- What is the range of acceptable variance from our key performance and operating metrics?
- How will we define our terms to evaluate the likelihood of risk events and the impact that they might have on our business?



# Business Impact Analysis

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*A BIA quantifies business interruption, identifies qualitative impacts and vulnerabilities, and lays the foundation for the business continuity plan.* The BIA provides the information to:



Prioritize the recovery of business functions



Define the time periods for recovery



Identify the minimum resources  
required to operate



Develop continuity strategies and  
document continuity plans

# Types of Impacts measured in BIA

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<b>Quantitative Impacts (Immediate and measurable)</b>	<b>Qualitative Impacts (Longer time horizon but difficult to measure)</b>
<ul style="list-style-type: none"><li>● Loss of funding</li><li>● Increased expenses</li><li>● Increase in Payroll costs. Reduced productivity, Inability to replace key role holders.</li></ul>	<ul style="list-style-type: none"><li>● Delayed implementation or completion of programs</li><li>● Loss of progress and disruptions in the progress cycle.</li><li>● Loss of trust with beneficiaries &amp; donors.</li><li>● Inability to achieve target outputs and outcomes</li><li>● Potential impacts on employees and the environment.</li></ul>

# Creating the BCP

01

Identify gaps between current capabilities and desired requirements



02

Identify strategy options and draw up framework & plan of action



03

Identify resources (Financial, human and other resources), designate roles and responsibilities



04

Implement the solutions and validate





# BCP Framework

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1. Business Continuity plans are **complex** and **differ** from organisation to organisation.
2. Organisations should tailor their plan according to their **organization's specific needs**.



**Purpose**



**Scope**



**Ownership**



**Roles & Responsibilities**



**Risk Management**



**Plan Management**